



3/14/12

Chairman Jud Gilbert
Chair, Michigan House Tax Policy Committee
Michigan House of Representatives
P.O. Box 30014, Lansing ,MI 48909

Dear Chairman Gilbert and Tax Policy Committee Members:

I am writing to you today, on behalf of over 3000 independent retailers in the State of Michigan, in full support of SB 930, as introduced by Senator Kahn. These independent retailers represent small business locations throughout all of Michigan. Simply put, if the state fails to enforce the laws and regulations on RYO cigarette machine retailers, the state is putting thousands of legitimate tax paying retailers at risk of not surviving.

These small business retailers are the true job creators in Michigan. They depend on this legislative body to create an environment that allows them to create jobs in their stores and retail outlets. They have in fact remained in Michigan through the difficult economic times, and have never abandoned the citizens and communities they serve.

These independent retail businesses comply with all federal and state excise taxes in addition to the state sales tax that is added on. The retail sale of cigarettes and tobacco is heavily regulated and highly taxed. The RYO cigarette making machines sell their cigarette products at less than half of our members retail price, as they don't collect the same taxes nor comply with state and federal cigarette regulations.

SB 930 levels the playing field by requiring all sellers of cigarette and tobacco products to comply with the same regulations and rules of taxation. The independent retailers across Michigan cannot compete with the tax avoidance activity and business models of the RYO cigarette machines.

On behalf of our retail small businesses, we urge this committee and the entire Michigan legislature to vote in support of SB 930, and to require the RYO Cigarette machine manufacturers to play by the same rules; to become licensed, pay taxes and comply with the same rules and regulations as

Michigan's retailers are required to satisfy. Traditional notions of fair play and substantial justice demand no less.

Respectfully,

Paul F. Condino

VP Government Relations, AFPD